EXPOSURE FEE ADVICE CZECH REP. PRIVATE SECTOR CREDITS

EXPOSURE FEE LEVEL 2

	EXPOSURE FE	E LEVEL	2							
A. SOVEREIGN (e.g., Finance Ministry Guarantee): TRANSA			RANSACTIO	ON RISK IN	CREMEN	T: See	See Public Sector Chart			
B. POLITICAL ONLY COVER: TRANSACT			RANSACTIO	TION RISK INCREMENT: -1						
C1. BORROWERS/GUARANTORS with RATED/TRADED	CROSS BORDE	R (HARD CL	JRRENCY) [DEBTS:						
TRANSACTION RISK INCREMENT:	0	0	0	1		2	3	4	5	
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,	BB	BB-	B+,B	B-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,E	a2	Ba3	B1,B2	В3	
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	1	В		С		
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-4						
SHORT-TERM (Moody's)		P-1	P-2	P-3	1					
SPREAD (bp) over T-YIELD <	40	70	140	250	. 4	100	600	900	1500	
SPREAD (bp) over LIBOR <	10	40	90	220	3	370	570	870	1470	
C2. BORROWERS/GUARANTORS with INTRA-COUNTRY	(LOCAL CURRI	ENCY) RAT	INGS:							
TRANSACTION RISK INCREMENT:	0	0	0	1		2	3	4	5	
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,	BB —	BB-	B+,B	В-	
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa3	Ba1,E	a2	Ba3	B1,B2	В3	
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-3	i	В		С		
SHORT-TERM (Moody's)		P-1	P-2	P-3	i					
FINANCIAL STRENGTH (Moody's)	A/B	В	B/C	C		C/D	D	D/E	Е	
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC C	IC C	C/D IC	D I	D/E	IC E	
INDIVIDUAL (IBCA)	A/B	В	B/C	C		C/D	D	D/E	E	
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB-	BB+,	ВВ	BB-	B+,B	B-	
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANCE	CIAL INSTITUTIO	NS:			*TRANSA	CTION RI	SK INCR	EMENT:	0	
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER	THAN FINANCIA	AL INSTITU	TIONS:		*TRANSA	CTION RI	SK INCR	EMENT:	1	
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INS	TITUTION:			MAXIMUM	TRANSA	CTION RI	SK INCR	EMENT:	0	
F1. UNRATED BORROWERS/GUARANTORS OTHER THA	AN FINANCIAL IN	ISTITUTION	ıs.							
DEBT TO TANGIBLE NET WORTH			<u></u>	<1X	<2X	<3X	<4X	<6X	>6X	
DEBT TO TANGIBLE NET WORTH				<17					>0/	
					TRANSA	CTION R	ISK INC	REMENT:		
		>	25%	0	0	1	2	3	4	
OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT		>	20%	0	1	2	3	4	5	
		>	15%	1	2	3	4	5	5	
			10%	2	3	4	5	5	5	
			>5%	3	4	5	5	5	5	
			>0%	4	5	5	5	5	5	
			<0%	5	5	5	5	5	5	
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/G	<u>SUARANTORS:</u>									
TRANSACTION RISK INCREMENT:					1	2	3		5	
SHAREHOLDER'S EQUITY TO ASSETS				>8%	>7%	>6%	>5%	>4%	<4%	
NET INCOME TO ASSETS (2-YEAR AVERAGE)				>2.5%	>2.0%	>1.5%	>1.0%	>0.5%	<0.5%	
BORROWED FUNDS TO NET LOANS				<40%	<60%	<80%	<100%	<120%	>120%	
LIQUID ASSETS TO ASSETS RESERVES TO NON-PERFORMING ASSETS				>25% >200%	>20% >175%	>15% >150%	>10% >125	>5% >100	<5% <100%	
RECEIVED TO NON-1 ENFORMING ASSETS				~200 /0	/1/3/0	∕ IJU /0	>120	>100	< 100 /o	
* MAY NOT ADDLY IE A TRANSACTION DISK INCORN	AENT LIAC DEEN		OVED				Effor	tivo: 10	/04/4009	

Effective: 10/01/1998

* MAY NOT APPLY IF A TRANSACTION RISK INCREMENT HAS BEEN PRE-APPROVED

EXPOSURE FEE ADVICE CZECH REP.

PUBLIC SECTOR CREDITS

EXPOSURE FEE LEVEL 2

A. SOVEREIGN (e.g., Finance Ministry Guarantee):		7	TRANSACTI	ON RISK I	NCREME	NT: 0			
B. POLITICAL ONLY COVER: TRANSA			TRANSACTI	ON RISK I	NCREME	NT: Se	See Private Sector Chart		
C1. BORROWERS/GUARANTORS with RATED/TRADED	CROSS BORDE	R (HARD C	URRENCY)	DEBTS:					
TRANSACTION RISK INCREMENT:	0	0	0		1	2	3	4	5
LONG-TERM (S&P, others)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	- BB+	-,BB	BB-	B+,B	B-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	3 Ba1,	Ba2	Ba3	B1,B2	В3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-:	3	В		С	
SHORT-TERM (TBW)	TBW-1	TBW-2	TBW-3	TBW-	1				
SHORT-TERM (Moody's)		P-1	P-2	P-:	3				
SPREAD (bp) over T-YIELD <	40	70	140	250)	400	600	900	1500
SPREAD (bp) over LIBOR <	10	40	90	220)	370	570	870	1470
C2. BORROWERS/GUARANTORS with INTRA-COUNTRY	(LOCAL CURRI	ENCY) RAT	INGS:						
TRANSACTION RISK INCREMENT:	0	0	0		1	2	3	4	5
LONG-TERM (S&P, TBW)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	- BB+	-,BB	BB-	B+,B	В-
LONG-TERM (Moody's)	Aa1,Aa2	A1,A2,A3	Baa1,Baa2	Baa	3 Ba1,	Ba2	Ba3	B1,B2	В3
SHORT-TERM (S&P, others)	A-1+	A-1	A-2	A-:	3	В		С	
SHORT-TERM (Moody's)		P-1	P-2	P-3	3				
FINANCIAL STRENGTH (Moody's)	A/B	В	B/C	(C/D	D	D/E	Е
INTRA-COUNTRY ISSUER (TBW)	IC A/B	IC B	IC B/C	IC (C IC	C/D IC	D IC	D/E	IC E
INDIVIDUAL (IBCA)	A/B	В	B/C	(C/D	D	D/E	E
INDIVIDUAL (Capital Intelligence)	AA+,AA,AA-	A+,A,A-	BBB+,BBB	BBB	- BB+	-,BB	BB-	B+,B	B-
D1. TRANSACTIONS OF \$10 MILLION OR LESS - FINANC	CIAL INSTITUTIO	NS:			*TRANSA	ACTION R	ISK INCRE	MENT:	0
D2. TRANSACTIONS OF \$10 MILLION OR LESS - OTHER	THAN FINANCIA	AL INSTITU	TIONS:		*TRANSA	ACTION R	ISK INCRE	MENT:	1
E. UNRATED LARGEST (PROFITABLE) FINANCIAL INS	TITUTION:			MAXIMUM	TRANSA	CTION RI	SK INCREI	MENT:	1
F1. UNRATED BORROWERS/GUARANTORS OTHER TH	AN FINANCIAL IN	NSTITUTION	NS:						
DEBT TO TANGIBLE NET WORTH				<1X	<2X	<3X	<4X	<6X	>6X
					TRANS	ACTION F	RISK INCRE		
OPERATING CASH FLOW (2-YEAR AVERAGE) TO DEBT		>25%		0	0	1	2	3	4
		>20%		0	1	2	3	4	5
			·15%	1	2	3	4	5	5
		>10%		2	3	4	5	5	5
		>5%		3	4	5	5	5	5
			>0%	4	5	5	5	5	5
			<0%	5	5	5	5	5	5
F2. UNRATED FINANCIAL INSTITUTION BORROWERS/G	UARANTORS:								
TRANSACTION RISK INCREMENT:				0	1	2	3	4	5
SHAREHOLDER'S EQUITY TO ASSETS				>8%	>7%	>6%	>5%	>4%	<4%
NET INCOME TO ASSETS (2-YEAR AVERAGE)				>2.5%	>2.0%	>1.5%	>1.0%	>0.5%	<0.5%
BORROWED FUNDS TO NET LOANS				<40%	<60%	<80%	<100%	<120%	>120%
LIQUID ASSETS TO ASSETS				>25%	>20%	>15%	>10%	>5%	<5%
RESERVES TO NON-PERFORMING ASSETS				>200%	>175%	>150%	>125%	>100%	<100%
* MAY NOT APPLY IF A TRANSACTION ICRAS RATIN	G HAS BEEN PR	E-APPROV	'ED				Effective:	10	/01/1998